(1)

Supreme Court, U.S.
FILED

03 409 AUG 18 2003

In the

Supreme Court of the United States

KP PERMANENT MAKE-UP, INC,

Petitioner,

v.

LASTING IMPRESSION INC; MCN INTERNATIONAL INC,

Respondents,

Petition for a Writ of Certiorari to the
United States Court of Appeals for the Ninth Circuit

PETITION FOR A WRIT OF CERTIORARI

Michael Machat
Counsel of Record
Law Offices of Michael
Machat PC
9107 Wilshire Blvd., Ste 425
Beverly Hills, CA 90210
(310) 860-1833
Attorney for Petitioner

CURRY & TAYLOR • WASH D.C. • (202) 223-3160 • USSCINFO.COM

66 pp

QUESTIONS PRESENTED

Does the classic fair use defense to trademark infringement require the party asserting the defense to demonstrate an absence of likelihood of confusion, as is the rule in the 9th Circuit, or is Fair Use an absolute defense, irrespective of whether or not confusion may result, as is the rule in other Circuits?

PARTIES TO THE PROCEEDING

Petitioners

Petitioner K.P. Permanent Make-Up, Inc. (hereinafter "KP") is a California Corporation. Petitioner has no parent corporation and there is no publicly held company owning 10% or more of Petitioner's stock.

Respondents

Respondent Lasting Impression I, Inc. (hereinafter "Lasting") has no parent corporation and no publicly-owned shareholders. Respondent Mei-Chi-Na Beauty International, Inc. sued as MCN International, Inc., has no parent corporation and has no publicly owned shareholders.

TABLE OF CONTENTS

QUESTIONS PRESENTED i
PARTIES TO THE PROCEEDINGS i
TABLE OF CONTENTS ii
TABLE OF AUTHORITIES iii
OPINIONS BELOW 1
JURISDICTION 1
CONSTITUTIONAL PROVISIONS, TREATIES, STATUTES, ORDINANCES AND REGULATIONS INVOLVED IN THE CASE 1
STATEMENT 1
REASONS FOR GRANTING THE WRIT 4
CONCLUSION 17
APPENDIX
Circuit Court Decision 1a
Appendix A 20a
Appendix B 20a
Order Denying Rehearing 21a
District Court Order 22a
Pictures ..... 35a - 44a

TABLE OF AUTHORITIES

CASES

CAIRNS V. FRANKLIN MINT CO., 292 F.3D 1139, 1150, 1151 (9TH CIR. 2002) 10

COSMETICALLY SEALED INDUSTRIES, INC., V. CHESEBROUGH-POND'S USA CO., (2ND CIR. 1997)125 F. 3D 28 5

LEATHERSMITH OF LONDON, LTD. V. ALLEYN, 695 F.2D 27 (1ST CIR. 1982) 5

LINDY PEN CO. V. BIC PEN CORP., 725 F.2D 1240, 1248 (9TH CIR. 1984) 11

PARK 'N FLY, INC., V. DOLLAR PARK AND FLY, INC., 469 U.S. 189, 194; 105 S.CT 658, 661; 83 L.ED. 2D 582 (1985) 3, 5, 14, 15

SHAKESPEARE COMPANY V. SILSTAR CORPORATION OF AMERICA, INCORPORATED, 110 F.3D 234, 243 (4TH CIR. 1997) 6, 15

SOWECO, INC. V. SHELL OIL COMPANY, 617 F. 2D 1178 (5TH CIR. 1980) 7

SUNMARK, INC. V. OCEAN SPRAY CRANBERRIES, INC., 64 F.3D 1055, (7TH CIR. 1995) 8

SWEATS FASHIONS, INC. V. PANNILL KNITTING CO., 833 F.2D 1560, 4 U.S.P.Q.2D 1793 (FED. CIR. 1987) 13

TRANSGO, INC. v. AJAC TRANSMISSION PARTS CORP., 911 F.2D 363, 366 N.2 (9TH CIR. 1990) 10

WILLIAM R. WARNER & CO. v. ELI LILLY & CO., 265 U.S. 526, 528, 44 S.CT. 615, 616, 68 L.ED 1161 (1924) 8, 9, 11

ZATARAINS, INC. v. OAK GROVE SMOKEHOUSE, INC. 698 F.2D 786 (5TH CIR. 1983) 7

Statutes

15 U.S.C. § 1115 3

15 U.S.C. § 1115(b) 10, 11, 14

15 U.S.C. § 1115(b)(4) 1, 9

15 U.S.C. § 1121 2

15 U.S.C. § 1125(a)(1) 8, 9

28 U.S.C. § 1254(1) 1

28 U.S.C. §1338 2

Other Authorities

McCarthy on Trademark and Unfair Competition § 11:45 (4th ed.2001) 10

McCarthy on Trademark and Unfair Competition § 23.17 16

Restatement (Third) of Unfair Competition § 28, comment b (1995) 2

OPINIONS BELOW

The April 30, 2003, opinion of the Ninth Circuit (App., infra, pages 1a-20a) is reported at 328 F.3d 1061. The May 16, 2001, order of the District Court (App., infra, pages 22a-31a) granting petitioner's motion for summary judgment and the judgment entered thereon in favor of petitioner, is unreported.

JURISDICTION

The Ninth Circuit's opinion was filed on April 30, 2003. Petitioner's timely petition for rehearing was denied on May 20, 2003.

The jurisdiction of this court is invoked pursuant to 28 U.S.C. § 1254(1).

CONSTITUTIONAL PROVISIONS, TREATIES, STATUTES, ORDINANCES AND REGULATIONS INVOLVED IN THIS CASE

This Case involves a determination of the elements of the Fair Use Defense to an incontestable trademark as specified in Section 33(b) (4) of the Lanham Act which appears at 15 U.S.C. § 1115(b)(4). This statute is set forth in the Appendix, infra, pages 32a-34a.

STATEMENT OF THE CASE

The parties to this case are competitors in the field of micropigmentation, which is more commonly known as permanent make-up. That is to say, the parties to this case supply and distribute pigment colors to permanent make-up practitioners who in turn inject them into the skin of their clients and/or patients.

Permanent makeup is similar to a tattoo, in that both are created by injecting pigment into the skin. Tattoos are of course meant to stand out and be noticed, whereas permanent make-up is used for cosmetic purposes such as to enhance eyebrows, or hide a scar.

The basic facts to this case are undisputed. KP has been using the term microcolors to describe its selection of pigment colors since 1990 on flyers, and since 1991 on its pigment bottles. Lasting Impression applied for a trademark registration of a mark consisting of a stylized formulation of the words "micro colors" in 1992. (Please see Appendix A, p. 20a.) In 1993 the trademark office issued a trademark registration for Lasting's logo mark. Lasting has a license agreement with MCN pursuant to which MCN markets pigment colors under Lasting's logo trademark.

In 1999, KP expanded its use of the phrase microcolors by using the term micro colors on one page of its 10 page or sided brochure. (Please see Appendix, pages 35a – 45a for the complete brochure, and page 41a for the use of micro color in particular.)

Thereafter, Lasting Impression and its licensee MCN sent KP a cease and desist letter demanding that KP stop using the term micro color. KP filed a lawsuit for declaratory relief in the United States District Court for the Central District of California. Federal Jurisdiction was conferred on the District Court by 15 U.S.C. Section 1121 (a) and by 28 U.S.C. §1338 (a), in that the case arose under the Trademark Laws of the United States, 15 U.S.C. §§1051, et. seq.

KP filed a motion for summary judgment and/or summary adjudication, and Lasting and MCN filed a motion for summary adjudication. The District Court

denied Lasting's motion for summary adjudication and granted KP's motion for summary judgment, finding that the term "micro color" is generic, and if not generic, then descriptive. The District Court then determined that neither party had acquired secondary meaning in the term "micro color". Finally, the district court found that KP's use was protected under the fair use defense, 15 U.S.C. § 1115 (b) (4), noting that Lasting and MCN had conceded that KP used the term micro colors in a descriptive sense and not as a trademark, and that since KP had been using the mark since 1990, its use was fair. The District Court stopped there, and concluded it need not go further and make a determination of likelihood of confusion.

The District Court also found that the entire logo containing the words "micro color" was valid and protected but that the words "micro colors" on their own were not. The District Court recognized that Lasting's registered logo mark was incontestable, but it held that the logo mark's incontestable status did not apply to the term "micro-colors" because the registration was for the "micro colors" logo and not merely the term.

On Appeal, the Ninth Circuit reversed and remanded the matter for trial on the issue of likelihood of confusion. The Appellate Court disagreed with the District Court's findings that micro colors was generic and that Lasting itself had used the term "micro colors" in a generic sense. Second, the Appellate Court ruled that the District Court erred in requiring Lasting to demonstrate secondary meaning in the term micro colors apart from the logo mark, ruling that the District Court misapplied the Supreme Court decision of *Park 'N Fly*, 469 U.S.189 (1985). Third, the Appellate Court ruled that before concluding that KP's use of the term micro

colors fell under the ambit of the Fair Use defense, the District Court should have first conducted a likelihood of confusion analysis. The Appellate opinion acknowledged that KP was the prior user of the term "microcolor", but evidently held that it was still necessary for the District Court to conduct a likelihood of confusion analysis prior to finding fair use.

KP filed a timely petition for a rehearing, and on May 20, 2003, the Ninth Circuit denied the petition for rehearing. (App. page 21a)

REASONS FOR GRANTING WRIT

When it comes to the Fair Use defense, the United States circuit courts of appeals have been divided for many years over whether or not a showing of an absence of likelihood of confusion is required as an additional element to those listed in 33§(b)(4) of the Lanham Act. The Ninth Circuit says you cannot have classic fair use if there is a likelihood of confusion. The Second Circuit says, you can, and any confusion that results is the fault of the trademark registrant for adopting such a descriptive term in the first place. The Restatement of Unfair Competition takes an intermediate position, saying that a defendant who uses another's mark fairly and in good faith to describe its goods or service is not an infringer "even if some residual confusion remains likely, although the extent of likely or actual confusion "are important factors in determining whether a use is fair. *Restatement (Third) of Unfair Competition*, §28, comment b (1995). The Fourth and Seventh Circuits have adopted a similar approach to the Restatement. The First Circuit views Fair Use as a separate and distinct defense. Within the Fifth Circuit, there seems to be a split on this issue. This Court has not addressed this issue, although in 1924, a

somewhat similar issue arose. (Please see section F of the argument, infra.)

This issue takes on extra importance when one considers the concerns raised by the dissent in *Park 'N Fly, Inc., v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194; 105 S.CT 658, 661; 83 L.Ed. 2d 582, regarding the effect of incontestability on a clearly descriptive mark that has inadvertently escaped the attention of the trademark examining attorney and through time has become incontestable. If this Court follows the Second Circuit's interpretation of the Statute, a clearly descriptive incontestable trademark granted through error will be less powerful and do less harm. Conversely, if this Court follows the Ninth Circuit's interpretation, the owner of a clearly descriptive incontestable mark will have far greater rights to descriptive words than imagined by Congress.

A. The First Circuit Rule

The First Circuit looks at the Fair Use defense as an alternative defense to likelihood of confusion. In *Leathersmith of London, Ltd. V. Alleyn*, 695 F.2d 27 (1st Cir. 1982), the defendant used the word leathersmith as part of his business name, Tantalus Custom Leathersmiths. In ruling on behalf of the defendant, the 1st Circuit found that there had been no showing of a likelihood of confusion, and even if there had been such a showing, defendant's use of "leathersmith" fell within the ambit of the Fair Use Defense.

B. The Second Circuit Rule

According to the Second Circuit, the fair use defense is available regardless of whether or not there is resulting customer confusion. In *Cosmetically Sealed*

Industries, Inc., v. Chesebrough-Pond's Usa Co., (2nd Cir. 1997)125 F. 3d 28; 43 U.S.P.Q.2d 1956, the 2nd Circuit followed the strict meaning of the language in the Lanham Act referring to the Fair Use defense, stating, "Fair use is a defense to liability under the Lanham Act even if a defendant's conduct would otherwise constitute infringement of another's trademark."

In *Cosmetically Sealed*, the trademark at issue was "SEALED WITH A KISS." Defendants invited consumers to use defendants lip products, make an imprint on a postacard, and mail it. To convey this message they simply stated to "SEAL IT WITH A KISS."*Id*, at p. 29. The Court noted that the expression "Seal it with a kiss" was widely known as a descriptive phrase. In addressing the issue of customer confusion, the 2nd Circuit stated, "If any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase." *Id.*, at p. 30. In arriving at its conclusion, the 2nd circuit noted that the defendants were not using the phrase to identify their product but were instead using it in good faith to describe their products. *Id.*

C. The Status of Fair Use in the Fourth Circuit

In *Shakespeare Company v. Silstar Corporation of America, Incorporated*, 110 F.3d 234, 243 (4th Cir. 1997), the Fourth Circuit wrote, "It defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant. If a fair-use defense is not to be considered when there is a likelihood of confusion, then it is never to be considered. The fair-use defense comes into play only when infringement – including a likelihood of confusion – has been

established. A defense which can be considered only when the prima facie case has failed is no defense at all. While it is true that *to the degree* that confusion is likely, a use is less likely to be found fair, it does not follow that a determination of likely confusion precludes considering the fairness of use."

D. The Status of the Fair Use Defense in the Fifth Circuit

The Status of the Fair Use Defense and how it relates to likelihood of confusion is a bit unclear in the Fifth Circuit. In *Soweco, Inc. v. Shell Oil Company*, 617 F. 2d 1178 (5th Cir. 1980), the Fifth Circuit stated, "Moreover, we are convinced that even if there were a likelihood of confusion, the defendant would still be entitled to its fair-use defense, so long as it had met the requirements of §1115(b)(4). To hold otherwise would effectively eviscerate the fair-use defense. If defendant's use of a term to fairly describe a characteristic of its goods creates a likelihood of confusion, then plaintiff should adopt some other method of distinguishing its goods from those of defendant. He cannot deprive defendant of his statutory defense once defendant has established the elements of that defense, as defendant has done here."

Three years later, a different panel of Fifth Circuit judges wrote, "The holder of a protectable descriptive mark has no legal claim to an exclusive right in the primary, descriptive meaning of the term; consequently, anyone is free to use the term in its primary, descriptive sense so long as such use does not lead to customer confusion as to the source of goods or services." *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.* 698 F.2d 786 (5th Cir. 1983) It should be noted that upon a close reading of *the Oak Grove Smokehouse*

case, the 5th Circuit panel glossed over the anomaly of forcing a defendant to first prove no likelihood of confusion in order to avail himself of the fair use defense.

E. The Status of the Fair Use Defense in the Seventh Circuit

In *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, (7th Cir. 1995), the Seventh Circuit was presented with the following situation. Sunmark was the manufacturer of a candy called SWEETARTS®, which was both sweet and tart. Ocean Spray was the manufacturer of Ocean Spray Cranberry Juice which also was both sweet and tart. The Sweetarts mark had become incontestable, and Ocean Spray was invoking its right to use the descriptive phrase Sweet-Tart as a descriptive phrase. In ruling that Ocean Spray's use was a fair use, the 7th Circuit cited this Court's statement in *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 528, 44 S.Ct. 615, 616, 68 L.Ed 1161 (1924), "The use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin of the product." *Sunmark, supra* at 1059. The Sunmark Court then acknowledged that other courts have implied that confusion is inconsistent with a fair use defense, and then posits the question how an accurate description can be objectionable? The Sunmark Court explains that, "When the products involved are similar, 'likelihood of confusion' may amount to using a word in a 'misleading' way, violating 15 U.S.C. § 1125(a)(1) – not because the likelihood of confusion makes the use nondescriptive, but because the confusion about the product's source shows that the words are being used, de facto, as a mark. And the defense is available only to one who uses the words of

description "otherwise than as a mark." *Id.* Later in the opinion, the Court addresses the issue of likelihood of confusion, only after first assuming that some of the ways Ocean Spray deployed 'sweet-tart' to sell juices have the status of a trademark. *Id* at 1060. Thus, according to the Seventh Circuit, the confusion over whether or not the likelihood of confusion analysis should be applied in connection with the fair use defense only arises if the descriptive term is being used by the alleged infringer as a trademark, and if so, the fair use defense would not be applicable.

F. The Status of the Fair Use Defense in the US Supreme Court

Petitioner has only found one decision regarding the Fair Use Defense in this Court, and that is *William R. Warner & Co. v. Eli Lilly & Co., supra.* Although this Court did not specifically address the Statute in question, 15 USC 1115(b)(4) (the statute and the Lanham Act, itself, had not yet been enacted!), the basic issue did arise. The Respondent had come out with a drink named Coco-Quinine which also was a description of the ingredients of the drink itself. The petitioner had come out with a similar tasting drink made also from quinine and chocolate and called its drink Quin-Coco. This Court stated that the use of a similar name by another to truthfully describe his own product does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin or ownership of the product. *Id* at 528. This Court did however go on to find unfair competition by the petitioner principally because the petitioner was using the name of its drink as a trademark that was similarly confusing to the brand name being used by respondent. Thus, if the Lanham Act had been enacted at that time, and if 15 U.S.C. 1115(b)(4) were the law at the time, the fair use defense

as stated therein would not have been applicable to the petitioner because the petitioner was using the descriptive term not just as a descriptive term, but as a mark.

G. The Ninth Circuit Rule

In its opinion below, the Ninth Circuit followed its long line of precedents in ruling that in order for KP to prevail on its fair use defense, KP was required to establish that their use of the "micro colors" term did not lead to customer confusion. In doing so, the Ninth Circuit makes reference to its opinion in *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150, 1151 (9th Cir. 2002), where it states, "Under the common law classic fair use defense codified in the Lanham Act at 15 United States Code § 1115(b), "[a] junior user is always entitled to use a descriptive term in good faith in its primary, descriptive sense other than as a trademark." 2 *McCarthy on Trademark and Unfair Competition* § 11:45 (4th ed.2001). To establish a classic fair use defense, a defendant must prove the following three elements: "1. Defendant's use of the term is not as a trademark or service mark; 2. Defendant uses the term 'fairly and in good faith'; and 3. [Defendant uses the term] '[o]nly to describe' its goods or services." *Id.* at § 11:49 (quoting 15 U.S.C. § 1115(b))."

Although the Ninth Circuit admits that the classic fair use defense is codified in the Lanham Act at 15 USC §1115(b), the Ninth Circuit adds an extra element to the defense. "As expressed in Cairns, the fair use analysis 'only complements the likelihood of customer confusion analysis.' *Id.* at 1150; see also *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 911 F.2d 363, 366 n.2 (9th Cir. 1990) (explaining that anyone is free to use a term in its primary, descriptive sense, as long as such use does not

result in consumer confusion as to the source of the goods); *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1248 (9th Cir. 1984) (explaining that the fair use defense is not available if likelihood of confusion has been shown.)" (*KP v. Lasting Impression*, 328 F3d 1061, 1072; also App. 17a)

As mentioned above, the District Court below found that KP had satisfied all three prongs of the fair use defense as codified in 15 USC §1115(b) and hence KP's use of the microcolor mark was protected under the fair use doctrine. The Ninth Circuit, in following its own precedents, stated, "This is a case concerning the classic fair use defense. KP is using the term 'micro color' to describe its own products, not that of Lasting. Therefore, KP can only benefit from the fair use defense if there is no likelihood of confusion between KP's use of the term 'micro color" and Lasting's mark. The district court declined to discuss likelihood of confusion because it found KP's use to be fair. However, as discussed above, because in this case there can be no fair use if there is a likelihood of confusion, the likelihood of confusion analysis must be addressed." (App. p. 17a) The Ninth Circuit, after noting that a finding of likelihood of confusion involves numerous genuine issues of material facts, remanded the matter to the District Court for trial. This decision is in direct conflict with the decisions of the other Circuit Courts of Appeals and is in conflict with a statement made by this Court back in 1924. *William R. Warner & Co. v. Eli Lilly & Co*, 265 U.S. 526, 529; 68 L.Ed. 1161, 44 S.Ct. 615 (1924).

H. This Court Should Exercise Its Discretion to Grant the Petition

There is a clear and present need for this Court's intervention and guidance in this important issue of trademark law. An absence of uniformity in trademark law undermines certainty of expectation and lessens public confidence in the federal judiciary. It complicates business planning, and encourages forum shopping.

In order to promote unity in the trademark laws of this Country, it is vital that this conflict between the circuits be resolved. Otherwise, parties to a trademark dispute would simply be wise and encouraged to forum shop to the circuit with the interpretation of the fair use defense that best suits the facts of their case. With interstate commerce as prevalent as it is, it is exceedingly rare to find trademarked products sold only within one Circuit. Thus, as the matter now stands, a lawyer cognizant of this split among the circuits will surely use this knowledge to advise his or her client to file in the Circuit with the law most suitable to his desired outcome.

There needs to be a definitive answer to the question at issue so businesses can plan their marketing strategies. At the moment, the most a lawyer can do when advising a client about adopting a prospective marketing campaign that uses a descriptive term that is also part of a competitor's trademark is to advise the client to proceed with caution. That even though descriptive terms are supposed to be free for all to use to truthfully describe their goods or services, there are some circuits that hold that this is only the case when there is no likelihood of confusion. As a result, it is possible for a business that is truthfully and in good

faith using a common everyday term found in the dictionary to only describe its goods to find itself embroiled in litigation with a ruthless competitor who has sought to make it difficult and cumbersome for others to advertise.

There are some businesses that will use this uncertainty to its advantage against competitors with less financial resources. It is not uncommon for businesses to seek a trademark registration for a purely descriptive or even generic term. In cases like this, the trademark applicant wraps the descriptive and/or generic term around a logo and applies for a logo mark. An example of this is revealed in *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 U.S.P.Q.2d 1793 (Fed. Cir. 1987), where the trademark registration protected the logo of Sweats but not the word Sweats itself. Once a registered trademark is issued, the competitor can use the registration itself to threaten smaller competitors with litigation, even though the registration includes a descriptive term that should be free for all to use. Without the law on this matter being clear, a small company may just give up its right to continue using the descriptive term simply to avoid the costs of litigation.

Petitioner believes this is exactly what happened in this case. Lasting obtained a logo registration of a descriptive term to prevent its competitors from using the same descriptive term in its marketing. One competitor, Tattooing, had at one time written in its brochures, "'Our Micro Colors are the best in the world.' However Tattooing has agreed to stop using the "micro colors" phrase at Defendants' request." (App., page 28a) Petitioner contends this is merely because Tattooing, Inc did not want to go through the time and energy defending against a federal lawsuit. In contrast to

Tattooing's business decision, Petitioner instead chose to fight for its right to continue using a descriptive term to describe its goods and services.

The world needs to know what to do when an obviously descriptive term and perhaps even a generic term escapes the attention of the examining attorney at the USPTO, and as a result a registered mark is subsequently mistakenly granted. If the descriptive term is the most salient feature of the mark, then under current law, this purely descriptive term can obtain trademark protection. After a short number of years, if no one challenges the descriptive mark, it can become incontestable, even though it may have been granted by mistake. The dissent in *Park 'N Fly*, supra at 206, was very concerned about this type of situation. In order to remedy the concern that a merely descriptive mark may obtain incontestable status, the dissent in that case argued, one should be able to challenge the validity of an incontestable mark on the ground that it is merely descriptive. The majority opinion pointed out that there were other statutory provisions available to rectify the trademark register and/or enable the public to continue using the descriptive term. One of these other statutory provisions, is the Fair Use Defense, *15 U.S.C. §1115(b)*. But as we have seen, the Fair Use defense is in danger of being eviscerated. It has in fact been eviscerated by the Ninth Circuit in cases that do not fit their definition of nominative fair use.

This Court noted that the dissent in *Park 'N Fly* disagreed with the balance struck by Congress in determining the protection to be given to incontestable marks. *Park 'N Fly 469* U.S. supra at 202. In order to prevent the balance from swinging too far the other way, it is vitally important that this Court strike down the Ninth Circuit's analysis of the Fair Use defense, and

adopt the plain meaning of the statute as the law of the land.

I. The Second Circuit's Approach is the best approach for commerce

One problem with the Ninth Circuit's rule that in order for there to be fair use there cannot be a likelihood of confusion is that the rule is unsupported by the statutory language of the Lanham Act itself. The Act specifically spells out a number of defenses to an incontestable mark. Included among those defenses is the fair use defense. "Statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose." *Park "N Fly, Inc., v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194; 105 S.CT 658, 661; 83 L.Ed. 2d 582. As the Fourth Circuit wrote, "It defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant. If a fair-use defense is not to be considered when there is a likelihood of confusion, then it is never to be considered. The fair-use defense comes into play only when infringement – including a likelihood of confusion –has been established. A defense which can be considered only when the prima facie case has failed is no defense at all." *Shakespeare Company v. Silstar Corporation of America, Incorporated*, supra at 243. So one naturally asks, if the Ninth Circuit's interpretation is correct, what then was Congress' intention of including fair use as a defense to an incontestable mark?

In *Park 'N Fly*, this Court wrote in connection with statutory construction, "One searches the language of the Lanham Act in vain to find any support for the offensive/defensive distinction applied by the Court of Appeals. The statute nowhere distinguishes between a

registrant's offensive and defensive use of an incontestable mark. On the contrary, § 33(b)'s declaration that the registrant has an "exclusive right" to use the mark indicates that incontestable status may be used to enjoin infringement by others. A conclusion that such infringement cannot be enjoined renders meaningless the "exclusive right" recognized by the statute. Moreover, the language in three of the defenses enumerated in § 33(b) clearly contemplates the use of incontestability in infringement actions by plaintiffs. See §§ 33(b)(4)-(6), 15 U.S.C. §§ 1115(b)(4)-(6)." If one pursues a similar type of statutory analysis in the instant case, one can only conclude there is no support within the language of the Lanham Act for first requiring that a distinction be made between nominative fair use and classic fair use, and then requiring a party to prove a lack of likelihood of confusion if the party wants to defend on the basis of classic fair use.

Moreover, the Ninth Circuit's interpretation of the Fair Use Defense entails a more costly defense and the depletion of more judicial resources then would apply in other circuits. As Professor McCarthy writes in connection with proving or disproving likelihood of confusion, "In borderline cases where evidence of actual confusion is not available or is not overwhelming, the gap should best be filled by a properly conducted survey of the relevant class of prospective customers of the goods or services at issue." *McCarthy*, supra at §23.17. A professional survey is of course usually very expensive to conduct. Furthermore, as the Ninth Circuit notes, "determining whether a likelihood of confusion exists at the summary judgment stage is generally disfavored. . ." (App. at p. 18a) Thus, under the Ninth Circuit's interpretation, trials on the issue of fair use will be far more prevalent than in other circuits

where the matter might more easily go away in a motion for summary judgment.

The Second Circuit's common sense interpretation of the statute seems not only logical, but also fair. Why should a defendant be forced to go through the expense of conducting a survey (to prove a lack of likelihood of confusion) or going to trial (again to prove no customer confusion) if all he is doing is using a descriptive word or phrase to truthfully describe his goods or services?

CONCLUSION

KP respectfully submits that these considerations justify this Court's granting of the Petition for Writ of Certiorari.

Dated this 18th day of August, 2003.

Respectfully submitted,

Michael Machat
Counsel of Record for Petitioner
9107 Wilshire Blvd., Suite 425
Beverly Hills, CA 90210
(310) 860-1833

(Any footnotes trail the end of each document)
No. 01-56055

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

KP PERMANENT MAKE-UP, INC,
Plaintiff-counter-defendant-Appellee,

v.

LASTING IMPRESSION I, INC;
MCN INTERNATIONAL INC,
Defendants-counter-claimants-Appellants,

ROES 1 THROUGH 10, inclusive,
Counter-defendant-Appellee.

October 9, 2002, Argued and Submitted, Pasadena, California
April 30, 2003, Filed

COUNSEL: Charles C. H. Wu and C. William Kircher, Jr., Irvine, California, for the defendants-counter-claimants-appellants.

Michael Machat, Beverly Hills, California for the plaintiff-counter- defendant-appellee.

JUDGES: Before: Procter Hug, Jr., Melvin Brunetti, and Diarmuid F. O'Scannlain, Circuit Judges. Opinion by Judge Hug.

OPINION BY: HUG

OPINION: HUG, Circuit Judge:

I. Introduction

This case concerns the term "micro colors" n1 and who has the right to use it. Lasting Impression I, Inc., owns an incontestable, registered trademark which consists of the term "micro colors," set in white, within a black box. It is the registration for this composite mark that is the basis of this litigation.

K.P. Permanent Make-Up, Inc. ("KP") uses the term "micro colors" on its products and brochures. Upon receiving a cease and desist letter from Lasting Impression I, Inc. in January 2000 demanding KP discontinue its use of the term "micro color," KP brought this action for declaratory relief against the defendants Lasting Impression I, Inc., and its distributor, MCN International, Inc. (hereinafter collectively referred to as "Lasting"). KP asserted that Lasting did not have the exclusive right to use the term "micro colors" and that the term was generic and incapable of receiving trademark protection. Lasting counterclaimed, alleging that KP's use of the term "micro color" infringed Lasting's incontestable, registered mark. The parties filed cross motions for summary judgment and summary adjudication.

The district court concluded that the term "micro colors" was generic, or if not generic, descriptive. The court then determined that KP was entitled to continue use of the term "micro color," in the manner that it had been since 1991, and that Lasting could continue to use its trademarked logo. Lasting appeals the district court's grant of summary judgment in favor of KP. We have jurisdiction under 28 U.S.C. § 1291.

II. Factual and Procedural Background

KP and Lasting are direct competitors in the permanent makeup industry. To better understand the nature of the term "micro color," a brief description of permanent makeup and the permanent makeup industry is of use. Permanent makeup is similar to a tattoo, in that both are created by injecting pigment into the skin. Permanent makeup has both cosmetic and medical uses. For example, it may be used to create permanent eye liner and to enhance eyebrows, or it may be used in scar revision or in cases of pigmentary disorder. Permanent makeup is also known as micropigmentation.

The pigments used for permanent makeup are sold in small bottles for use by trained professionals. Both KP and Lasting have a separate line of pigments for use in the permanent makeup process. These pigments are sold in various colors. Further, both KP and Lasting sell their pigments to the same end users, such as beauty salons.

Lasting began using "micro colors" commercially as a trademark for its line of permanent makeup pigments in April 1992. The mark was registered on the Principal Register of the United States Patent and Trademark Office on May 11, 1993, as Reg. No. 1,769,592. The mark is registered as a design and word mark and consists of a solid black rectangle, with the words "micro" and "colors" in reverse white lettering. The word "micro" appears directly over the word "colors," and the two are separated by a green horizontal bar. In 1999, Lasting's mark, as registered, became incontestable. An illustration of the registered trademark is shown in Appendix A.

KP used the term "micro color" on its flyers beginning in

1990 and has continued to use the term on its pigment bottles since 1991. KP's use of the term "micro color" on its bottle labels consists of the word in full capitals before the actual color of the pigment in the bottle. For example, KP's use of the word on a bottle containing black pigment would appear as: "MICROCOLOR: BLACK."

In 1999, KP adopted a new use of the term "micro color." Rather than using it only on its bottles, KP began using the term in its marketing brochures. The brochures display the term "micro color" in a stylized format. "Micro color" sits directly over the word "pigment," and a vial with pigment flowing out of it is depicted to the side of the word display. Additionally, under both the vial and the phrase "micro color pigment" is the word "chart." Both the words "pigment" and "chart" appear in a smaller size type than the term "micro color," making the term the most dominant feature of the image. The brochure on which this image appears contains a chart displaying all the various colors in which KP's pigments are available. An illustration of the term in the marketing brochures is shown in Appendix B.

In March 2000, KP commenced this trademark declaratory relief action against Lasting. In response, Lasting counter-claimed, alleging that KP's use of the phrase "micro color" infringed Lasting's incontestable registration of its "micro colors" mark and sought damages for the infringement. Lasting's counterclaim also alleged unfair competition and false advertising.

KP filed a motion for summary judgment. KP's contentions consisted of the following: (1) Lasting's picture mark registration did not give Lasting the exclusive right to the term "micro color" separate from the logo; (2) the term "micro color" is generic; (3) KP

can use "micro color" under the fair use doctrine; (4) the phrase has no secondary meaning; (5) Lasting has also used "micro color" in a generic sense and is estopped from arguing the term is not generic; (6) Lasting cannot show likelihood of confusion; and (7) KP's continuous prior use of the term "micro color" defeats Lasting's claim to exclusivity.

Lasting moved for summary adjudication of certain issues, principally that KP's contention that the term "micro colors" is generic had no merit, that KP's prior use contention had no merit, and that Lasting's registered trademark was not limited to the composite.

The district court granted KP's motion for summary judgment and denied Lasting's motion for summary adjudication. It held that KP could continue to use the term "micro color" in the manner it has since 1991 and that Lasting could continue to use its trademarked logo containing the words "micro color." Specifically, the district court concluded that the term "micro color" is generic, and, if not generic, descriptive. The district court then determined that neither party had acquired secondary meaning in the term "micro color." Finally, the district court held that KP's use was protected under the "fair use" defense, 15 U.S.C. § 1115(b)(4), and because its use was fair, the court declined to discuss KP's prior use contention or likelihood of confusion.

III. Analysis

A. Standard of Review

A grant of summary judgment is reviewed *de novo*. *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1257 (9th Cir. 2001). We must determine, viewing the evidence in the light most favorable to the nonmoving

party, whether there are any genuine issues of material fact and whether the district court correctly applied the relevant substantive law. *Id.* "Be-cause of the intensely factual nature of trademark disputes, summary judgment is generally disfavored in the trademark arena." *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1140 (9th Cir. 2002) (quotation marks and citations omitted).

B. Trademark Infringement

In evaluating the parties' motions for summary judgment and summary adjudication, it is easiest to frame the relevant issues in the context of a trademark infringement action. KP's motion raises essentially issues that are defenses to an infringement action.

The Lanham Act allows the holder of a protectable trademark to hold liable any person who without consent, "uses" in commerce any . . . registered mark" in connection with the sale, offering for sale, distribution, or advertising of any goods or services" which is likely to cause confusion. 15 U.S.C. § 1114(1)(a). Before infringement can be shown, the trademark holder must demonstrate that it owns a valid mark, and thus a protectable interest. *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 783 (9th Cir. 2002). Once the trademark holder shows that it has a protectable interest, the holder must show that the alleged infringer's use of the mark "is likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1)(a) & (b); *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 900 (9th Cir. 2002). The alleged infringer has a number of defenses available.

Trademarks are generally divided into four categories: (1) generic; (2) descriptive; (3) suggestive; and (4)

arbitrary or fanciful. The latter two categories are deemed inherently distinctive and are automatically entitled to protection because they naturally "serve[ ] to identify a particular source of a product . . . ." *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 120 L. Ed. 2d 615, 112 S. Ct. 2753 (1992).

Generic marks are not capable of receiving protection because they identify the product, rather than the product's source. *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194, 83 L. Ed. 2d 582, 105 S. Ct. 658 (1985). "Generic terms are not registerable, and a registered mark may be canceled at any time on the grounds that it has become generic." *Id.* Merely descriptive marks, which describe the qualities or characteristics of a product, may be registered only if the holder of the mark shows that the mark has acquired distinctiveness through secondary meaning. *Id.*

One advantage of registration on the Principal Register is that the mark may attain incontestable status. 5 MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 32:142 (2002). Incontestable status may be obtained by fulfilling the requirements of 15 U.S.C. § 1065. This requires that the registered mark has been in use for five consecutive years and is still in use in commerce. *Id.* In addition, the statute requires that there has been no decision adverse to the registrant's claim of ownership of the mark, the right to register, or the right to keep it on the register. *Id.* No incontestable right can be obtained in a mark which is the generic name for the goods or services. *Id.*

The incontestability provisions of the Lanham Act were designed to provide a means for a trademark holder to "quiet title in the ownership of his mark." *Park 'N Fly*, 469 U.S. at 198. However, although a mark may become

incontestable, the label of "incontestability" is rather misdescriptive. 5 MCCARTHY § 32:147. An incontestable registration is still subject to certain defenses or defects, set forth in 15 U.S.C. § 1115 and as above stated does not apply to a mark that is generic.

The summary judgment entered for KP was based on the following determinations:A. The words "micro color," as distinct from Lasting's entire logo, are not protected because the words are generic and thus cannot constitute a valid mark.

B. Even if those words are not generic, they are descriptive and have no secondary meaning and thus cannot constitute a valid mark.

C. The "fair use" defense is applicable to KP and precludes a claim of infringement.

Because the district court held that the entire logo with the words "micro color" on it was valid and protected but that the words "micro color" were not, our first inquiry is whether the words "micro color" themselves are protected by the registration of the mark or only the entire logo. We are aided in this inquiry by the sequence of events in the Ninth Circuit case of *Park 'N Fly v. Dollar Park & Fly, Inc.*, 718 F.2d 327 (9th Cir. 1983), *rev'd*, 469 U.S. 189, 83 L. Ed. 2d 582, 105 S. Ct. 658 (1985).

C. Protection Afforded to the Words "Micro Colors"

In *Park 'N Fly*, the mark at issue, which had attained incontestable status, consisted of the words "Park 'N Fly" and an airplane logo. The alleged infringer challenged the mark's validity arguing that the words

"Park 'N Fly" were generic with respect to airport parking lots. *Id.* at 330. Park 'N Fly had a separate registration for the words "Park 'N Fly" with-out the airplane logo that was not yet incontestable. In addressing the issue of whether the words "Park 'N Fly" were generic, this court focused entirely on the words in the logo mark, which was incontestable, as opposed to words in the separate registration of the word mark.

Judge Kennedy (now Justice Kennedy), in writing for the court, held that because the most salient feature of the logo mark was the phrase "Park 'N Fly," any infringement of the word mark registration would also be an infringement of the logo mark. *Id.* at 331 n.3. Thus, the opinion concluded that the words "Park 'N Fly" were the most salient feature of the logo mark and that insufficient evidence had been presented to show the words were generic. *Id.*

It is significant that the United States Supreme Court, upon reviewing the Ninth Circuit's decision in *Park 'N Fly*, also recognized that Park 'N Fly had a separate registration for the words Park 'N Fly which had not become incontestable. How-ever, it determined that such registration did not affect the resolution of the matter and focused on the incontestable logo mark in making its ruling. *Park 'N Fly*, 469 U.S. at 192 n.2.

The Supreme Court reversed the Ninth Circuit's opinion on a different issue. The Ninth Circuit opinion had held that a registrant could not use the incontestability of its mark offensively to enjoin infringement and that a challenger could defend such an action on the grounds that the mark is merely descriptive. The Supreme Court reversed that aspect of the Ninth Circuit decision, but remanded for consideration the challenger's prior use

defense and the defense that there was no likelihood of confusion.

The remand by the Supreme Court implicitly acknowledged that it was the words "Park 'N Fly" as the most salient feature of the logo trademark that were to be considered on remand. The Ninth Circuit on remand addressed the words of the logo trademark and affirmed the district court's finding that the challenger did not qualify for the prior use exception and that there was sufficient likelihood of confusion to justify an injunction in favor of Park 'N Fly. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 782 F.2d 1508, 1509 (9th Cir. 1986).

It is clear under Ninth Circuit law, implicitly approved by the Supreme Court, that not only Lasting's logo mark itself is protected by the registration, but also the words "micro color" as the most salient feature of the logo mark. In *Park 'N Fly* the words were held to be the most salient feature of a logo with an airplane; whereas in this case the words in white on a black background are virtually the only salient feature of the logo.

Because the words "micro color" are the most salient feature of the mark, those words are the focus of the inquiry on validity.

D. Genericness

KP contends that the words "micro color" are generic and thus not entitled to protection. To determine whether a term has become generic, we look to whether consumers understand the word to refer only to a particular producer's goods or whether the consumer understands the word to refer to the goods themselves. *Park 'N Fly*, 718 F.2d at 330. If the buyer understands the word to refer to the source of the good, the term is

not generic. However, if the disputed term is "identified with all such goods or services, regardless of their suppliers, it is generic." *Id.* (quotation marks and citation omitted).

"Federal registration of a trademark endows it with a strong presumption of validity. The general presumption of validity resulting from federal registration includes the specific presumption that the trademark is not generic." *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 (9th Cir. 1982) (citations omitted). This presumption of validity extends to the most salient feature of the mark, the words "micro color."

We recently discussed the nature of that presumption in *Tie Tech, Inc. v. Kinedyne*, 296 F.3d at 782-83. Citing the wording of 15 U.S.C. § 1115(a) we stated:

> Validity . . . is a threshold issue. On this point, the plaintiff in an infringement action with a registered trademark is given the prima facie or presumptive advantage on the issue of validity, thus shifting the burden of production to the defendant to prove otherwise. . . . Or, to put it as we did in *Vuitton* [*Et Fils S.A. v. J. Young Enters., Inc.*, 644 F.2d 769 (9th Cir. 1981)], the defendant then bears the burden with respect to invalidity.*Id.* at 783. In granting the summary judgment to KP, the district court erred in placing the burden on Lasting. The burden was on KP to produce sufficient evidence to overcome the presumption.

The question then becomes what evidence must be produced to overcome the presumption. We noted in *Tie Tech* at the summary judgment stage that all inferences from facts must be drawn most favorably to the non-moving party. *Id.* In evaluating the summary judgment awarded to KP, those inferences must be drawn in favor

of Lasting, as the non-moving party. We stated in *Tie Tech*, after noting that this type of issue is generally viewed as an intensely factual issue, that if the challenger "can demonstrate through law, undisputed facts or a combination thereof that the mark is invalid the [trade-mark holder] cannot survive summary judgment." *Id.*

KP relied principally on an affidavit of the owner, Theresa Kim Plante, which stated: "There are various synonyms for microcolors, such as: micropigment, micro color pigments, micropigment colors and pigment colors. Both these terms micropigments and micro colors are abbreviations for micropigmentation colors. They all mean the same thing and are generic." Whether all of these terms could be synonyms for each other is highly doubtful. KP produced no evidence that consumers understood them to be synonyms. Both parties agree that the cosmetic process is "micropigmentation." That term alone would no doubt be generic, however whether "micropigmentation colors" is generic is a different question. Plante's affidavit says it is generic and that "micro colors" is simply an abbreviation for that term, which she contends is generic. The affidavits of Story, McKinstry and Leung state that "pigment" is generally used to refer to the liquid injected into the skin as permanent makeup, whereas "color" refers to the hue or shade of the pigment. Thus, according to these affiants, the color or hue of the pigment has nothing to do with the generic process and therefore "micro colors" is not an abbreviation for a generic process.

The contention that "micropigmentation colors" is the generic term for the micropigmentation process and that "micro colors" is an abbreviation for that term and thus also generic is not one that reasonably minded jurors

could accept. The words themselves do not support that contention, and KP introduced no evidence that the consumers so construed the words.

KP's other support for its generic argument was a statement that Story, the founder of Lasting, had made. KP contends that she used "micro colors" as a generic term in a brochure and an article. Story explained that neither reference was to "micro colors" as generic, and explained that in context the references were to the "Micro Colors" brand name and not intended as a generic term.

The first alleged generic use is in a brochure in which Lasting stated,MICRO-COLORS tm pigment is the first and only MICRO-COLORS available by MCN. All other brands with similar or identical names are not associated with MCN. Due to the high demand for this superior quality pigment, many imposter pigments have been developed to create confusion in the marketplace. Make an informed purchasing decision: verify that MCN is the manufacturer before you buy. MICRO-COLORS is a federally registered trade name and trademark that is avail-able only via MCN.Rather than using the term in the generic sense, it is clear from the document itself that Lasting was distinguishing its mark from those who may have used MICRO-COLORS with-out authorization.

The second alleged generic use is in a trade article where Lasting discusses its product. In this article, Lasting states "all Lasting Impression I pigments (Micro-Colors) are six microns." From then on in the article, Lasting uses the term "Micro-Colors" (capitalized) instead of pigments in a general sense. Again, in context, it is clear that Lasting was not refer-ring to "micro colors" in a generic sense. Rather Lasting had defined *its product* by its trademark "Micro-Colors" and uses that

term to describe *its pigments* elsewhere in the article. KP presented no evidence that "micro colors" was used or understood by consumers as a generic term rather than a brand name. Lasting did present evidence that "Micro Colors" is used and understood as a brand name not a generic term. We held in *Park 'N Fly* that "Without evidence that to the consuming public the primary significance of the term [Park 'N fly] is to denote the service Park 'N Fly offers and not its source, we are without a sufficient evidentiary basis to find Park 'N Fly's mark generic." *Park 'N Fly*, 718 F.2d at 330.

There is no genuine issue of material fact as to whether the salient part of Lasting's trademark, the words "micro colors," is generic. A reasonably minded jury could not conclude from the evidence produced that "micro colors" is a generic term. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249, 91 L. Ed. 2d 202, 106 S. Ct. 2505 (1986).

Based on the foregoing discussion of genericness, KP's motion for summary judgment cannot be upheld on this ground. Furthermore, Lasting's motion for summary adjudication on the issue of genericness should be granted.

E. Descriptiveness

The district court also determined that the words "micro colors" were not protected because they were descriptive and Lasting had not acquired a secondary meaning in those words. A descriptive mark that has become incontestable is conclusively presumed to have acquired secondary meaning. *Entrepreneur Media*, 279 F.3d at 1142 n.3. This means that a defendant in a trademark infringement action cannot assert that an incontestable mark is invalid because it is descriptive

and lacks secondary meaning. *Park 'N Fly*, 469 U.S. at 205.

The district court recognized that Lasting's registered logo mark was incontestable. However, it held that the logo mark's incontestable status did not apply to the term "micro colors" because the registration was for the "micro colors" logo, and not merely the term.

We conclude that the district court erred in requiring that Lasting demonstrate secondary meaning in the term apart from the mark. As we have discussed, a registered mark may be infringed even if the exact mark is not being imitated and the challenger of an incontestable mark cannot assert that the most salient feature of the mark is descriptive and lacks secondary meaning. *See Park 'N Fly*, 469 U.S. at 192 n.2, 205. Thus, when the holder of an incontestable mark is complaining that the most salient feature of its mark is being imitated and a likelihood of confusion may result, the holder of the mark does not have to show that the salient feature, apart from the mark, has acquired secondary meaning. Rather, the conclusive presumption that the mark has acquired secondary meaning extends to the most salient feature of the mark.

Thus, Lasting's incontestable registration is conclusive evidence that the mark is non-descriptive or has acquired secondary meaning, and there is no need to require a showing of secondary meaning in the term "micro colors" apart from the mark. Therefore, KP's motion for summary judgment cannot be upheld on this ground.

F. The Fair Use Defense and Likelihood of Confusion

We next turn to the issues of fair use and likelihood of confusion. The district court granted KP's motion for summary judgment on the basis of fair use, under 15 U.S.C. § 1115(b)(4). It held it need not make a determination with respect to likelihood of confusion. Section 1115(b)(4) of the Lanham Act allows a fair use defense to the infringement of an incontestable mark providing:That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin. . . .

As explained in *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002), there are two types of fair use: classic fair use and nominative fair use. Classic fair use is that in which the alleged infringer "has used the [trademark holder's] mark *only* to describe his own product, *and not at all to describe the [trademark holder's] product.*" *Id.* at 1151 (emphasis in original). In contrast, nominative fair use occurs when the alleged infringer uses "the [trademark holder's] mark to describe the [trademark holder's] product, *even if the [alleged infringer's] ultimate goal is to describe his own product.*" *Id.* (emphasis in original). Nominative fair use also occurs if the only practical way to refer to something is to use the trademarked term. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (explaining that nominative fair use may occur if one uses a trademark because it is the "only word reasonably available to describe a particular thing . . .").

The distinction between the two types of fair use is important because each type calls for a different analysis. When analyzing nominative fair use, it is not

necessary to address likelihood of confusion because the nominative fair use analysis replaces the likelihood of confusion analysis. *Cairns*, 292 F.3d at 1151; *New Kids*, 971 F.2d at 308. To successfully assert the nominative fair use defense, the alleged infringer must show that: 1) the product in question is not readily identifiable without use of the trademark; 2) only so much of the mark is used as reasonably necessary to identify the product; and 3) the user of the mark did nothing that would suggest sponsorship by the trademark holder. *New Kids*, 971 F.2d at 308.

In contrast, when the classic fair use defense is raised, it is still necessary to analyze likelihood of confusion. *Cairns*, 292 F.3d at 1151. As expressed in *Cairns*, the fair use analysis "only *complements* the likelihood of customer confusion analysis." *Id.* at 1150; *see also Transgo, Inc. v. Ajac Transmission Parts Corp.*, 911 F.2d 363, 366 n.2 (9th Cir. 1990) (explaining that anyone is free to use a term in its primary, descriptive sense, as long as such use does not result in consumer confusion as to the source of the goods); *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1248 (9th Cir. 1984) (explaining that the fair use defense is not available if likelihood of confusion has been shown).

This is a case concerning the classic fair use defense. KP is using the term "micro color" to describe its own products, not that of Lasting. Therefore, KP can only benefit from the fair use defense if there is no likelihood of confusion between KP's use of the term "micro color" and Lasting's mark. The district court declined to discuss likelihood of confusion because it found KP's use to be fair. However, as discussed above, because in this case there can be no fair use if there is a likelihood of confusion, the likelihood of confusion analysis must be addressed. Therefore, in addressing KP's motion for

summary judgment, we must determine whether there are any genuine issues of fact that exist with respect to likelihood of confusion.

Likelihood of confusion exists when consumers viewing the mark would probably assume that the goods it represents are associated with the source of a different product identified by a similar mark. *Clicks Billiards*, 251 F.3d at 1265. A finding of likelihood of confusion requires that confusion be probable, not just a possibility. *Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215, 1217 (9th Cir. 1987). Thus, "summary" judgment is inappropriate when a jury could reasonably conclude that there is a likelihood of confusion." *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1008 (9th Cir. 2001). Due to the factual nature of likelihood of confusion, determining whether a likelihood of confusion exists at the summary judgment stage is generally disfavored because a full record is usually required to fully assess the facts. *Clicks Billiards*, 251 F.3d at 1265.

KP's motion for summary judgment asserted that no genuine issue of material fact existed with respect to likelihood of confusion. Therefore, in determining whether likelihood of confusion exists, we must look at the facts in the light most favorable to Lasting.

The Ninth Circuit generally relies on an eight-factor test in determining whether a likelihood of confusion exists. *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). Those factors are: 1) the strength of the mark; 2) proximity or relatedness of the goods; 3) the similarity of the marks; 4) evidence of actual confusion; 5) the marketing channels used; 6) the degree of care customers are likely to exercise in purchasing the goods; 7) the defendant's intent in selecting the mark;

and 8) the likelihood of expansion into other markets. *Id.* Although the above factors are all appropriate for consideration in determining whether likelihood of confusion exists, not all of the factors are of equal importance or applicable in every case. *Downing*, 265 F.3d at 1008.

The application of these factors involves numerous genuine issues of material fact. As we have discussed, the fair use defense claimed by KP is a classic fair use defense that requires that there not be a likelihood of confusion. Because there are genuine issues of material fact concerning the likelihood of confusion, KP's motion for summary judgment can-not be upheld on this ground.

IV. Conclusion

Based on the foregoing, we reverse the district court's grant of summary judgment for KP, the denial of Lasting's motion for summary adjudication, and remand the case for further proceedings in accordance with this opinion.

REVERSED AND REMANDED.

APPENDIX A

APPENDIX B

FOOTNOTES

N1 The parties use the term "micro color," "microcolor," and "micro colors" interchangeably. For purposes of this opinion, we will refer to the term as "micro color" or "micro colors." The minor difference in these terms has no significance in this action.

No. 01-56055
D.C. No. CV-00-00276-GLT

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

KP PERMANENT MAKE-UP, INC.,
Plaintiff-counter-defendant-Appellee,

v.

LASTING IMPRESSION I, INC; MCN INTERNATIONALINC,
Defendants-counter-claimants-Appellants,

ROES 1 THROUGH 10, inclusive,
Counter-defendant-Appellee.

ORDER

Before: HUG, BRUNETTI, and O'SCANNLAIN, Circuit Judges.

The Petition for Rehearing is DENIED.

Case No. SA CV 00-276-GLT (EEx)

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

K.P. PERMANENT MAKE-UP, INC.,
Plaintiff,

v.

LASTING IMPRESSION, INC., et al.,
Defendants

ORDER GRANTING PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT AND DENYING DEFENDANT'S MOTION FOR SUMMARY ADJUDICATION

Plaintiff's Motion for Summary Judgment is GRANTED. Defendant's Motion for Summary Judgment is DENIED.

I. BACKGROUND

Plaintiff K.P. Permanent Make-up brought suit against Defendants Lasting Impression and MCN International for trademark infringement of the "microcolors" mark.fn1 Defendants counterclaimed, alleging it holds a registered trademark featuring the words "MICRO COLORS." Defendant Lasting Impression has been using its mark since March 1992 and registered it with the United States Patent and Trademark Office on May 11, 1993. Plaintiff argues it has been using the phrase "microcolors" since 1990.

Plaintiff brings a motion for summary judgment, and Defendants cross-move for summary judgment. Plaintiff's chief defenses are (1) Defendants' picture

mark registration does not give Defendants the exclusive rights to the words "micro colors" separate from the logo; (2) the words "micro colors" are generic; (3) under the fair use doctrine, Plaintiff can still use "micro colors" because it is the senior user of the phrase "microcolor," having used the phrase since as early as 1990; (4) the phrase has no secondary meaning; (5) Defendants have also used "microcolors" in a generic sense and are estopped from arguing it is not generic; (6) Defendants cannot show likelihood of confusion; and (7) Plaintiff's continuous, prior use of the term "microcolor" defeats Defendants' claim to exclusivity. Defendants argue Plaintiff's first, fifth, sixth and seventh affirmative defenses are invalid. In addition, Defendants argue Plaintiff's first count for declaratory relief has no merit because Plaintiff cannot demonstrate the phrase "microcolor" is generic.

II. DISCUSSION

Summary judgment is proper if "there is no genuine issue as to any material fact and the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. Proc. 56(c). A fact is material if it "might affect the outcome of the suit under the governing law." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). A factual dispute is genuine "if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." Id.

The moving party in a summary judgment motion bears the initial burden of showing the absence of a genuine issue of material fact. Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1985). If the moving party makes this initial showing, the burden shifts to the nonmoving party to "designate specific facts showing that there is a genuine issue for trial." Id., 477 U.S. at 324 (citation

omitted). In other words, the non-moving party must produce evidence that could cause reasonable jurors to disagree as to whether the facts claimed by the moving party are true.

In making a summary judgment determination, the Court must view the evidence presented in the light most favorable to the non-moving party, drawing "all justifiable inferences . . . in his favor." Anderson, 477 U.S. at 255. If the non-moving party fails to present a genuine issue of material fact, the Court must grant summary judgment. Celotex, 477 U.S. at 323-24. If, however, the evidence of a genuine issue of material fact is "merely colorable" or of insignificant probative value, summary judgment is appropriate. See Anderson, 477 U.S. at 249-50.

A. Generic of nature the Mark

"A generic term is one that does not distinguish the goods of one producer from the goods of others. Instead, it is one that either by definition or through common use 'has come to be understood as referring to the genus of which the particular product is a species.'" Keebler Co. v. Rovira Biscuit Corp., 624 F.2d 366, 373-74 (1st Cir. 1980) (citing Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976)).Evidence to prove genericness can include the following: (1) generic use by competitors use which is not contested; (2) when the proponent of a trademark uses the term before the public as a generic name; (3) dictionary definitions; (4) media usage; and (5) consumer surveys. McCarthy on Trademarks, § 22:13.

To demonstrate whether "microcolor" or "micro color" as generic, Plaintiff and Defendant have both conducted internet searches for use of the phrase

"micro color." See Defendants' Opposition, at 12. Companies from other business sectors used "microcolors," but as far as use in the permanent makeup industry, no others were found.

In addition to the internet search, Plaintiff asserts that, because Defendant has admitted "micropigmentation" and "pigmentation" are synonyms, and "pigment" and "colors" are used interchangeably in the industry, "micropigments" and "microcolors" are also synonyms. See Plaintiff's Motion, at 7; Story Depo. at 34:8-12; 34:13-35:17; McKinstry Depo. at 72:22-24; 73:8-24. Defendants argue Plaintiffs have misconstrued the deposition testimony. Regardless of the construction of the deposition testimony, one can "naturally conclude that micro colors and micro pigments are also synonyms...." Plaintiff's Motion, at 7.

It appears that "micro pigments" and "micro colors" are both, abbreviations for "micropigmentation color." Defendants do not raise a question of fact as to the specific association of "micro colors" with their goods. The most Defendants demonstrate as evidence is that "Skin Magazine," a reputable magazine catering to permanent makeup customers, lists the brand "micro colors" as cross-referenced between both Defendants. Defendant's Opposition, at 15. This may mean that "micro colors" is recognized as being used by Defendants, but it does not mean the phrase is not generic.

There is no evidence "micro colors" is not used commonly or interchangeably with "micro pigment" or "micro pigment colors." The phrase "micro colors" appears to have "'come to be understood as referring to the genus of which the particular product is a species.'"

Keebler Co. v. Rovira Biscuit Corp., 624 F.2d at 373-74. An example of the genus/species argument is that Defendants themselves have used "micro colors" in a generic manner in one brochure, the phrase, "Beware: Micro-Colors® Pigment is the first and only Micro-Colors available by MCN." 'Plaintiff's Exh. O. While the first "micro colors" phrase refers to Defendants' trademark, the second does not, and demonstrates the species within the genus. Keebler, at 373-74.

Even if the phrase "micro color" were not generic, "micro colors" is descriptive. Defendants themselves admit this. In Defendants' Motion for Summary Adjudication, they argue Plaintiff could not have acquired secondary meaning in the phrase "micro color" or "microcolors" because the phrase is descriptive. Defendants' Motion, at 30. If the descriptive nature of "micro colors" holds true for Plaintiff, it holds true for Defendants as well. Summary adjudication is GRANTED for Plaintiff's on this issue. See Celotex, 477 U.S. at 323-24.

B. Secondary Meaning

Both parties argue about their acquisition of secondary meaning with respect to the descriptive "micro colors" phrase. The "prime element of secondary meaning is a mental association in buyers' minds between the alleged mark and a single source of the product." McCarthy on Trademarks, § 15:02(1); see Armstrong Paint & Varnish Works v. Nu-Enamel, Corp., 305 U.S. 315 (1938).

Once a trademark achieves "incontestable" status, it is conclusively presumed that either the mark is non-descriptive, or if descriptive, has acquired secondary meaning. See 15 U.S.C. § 1115(b). Incontestable

status, is achieved after five years of use after federal registration and compliance with statutory formalities. See 15 U.S.C. § 1065. A challenger faced with an incontestable registered mark cannot raise the argument the mark is invalid because it is descriptive and lacks secondary meaning. See Park 'N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 205 (1985).

However, the presumption of distinctiveness is limited to the exact form of the mark as registered. See Beneficial Corp. v. Beneficial Capital Corp., 529 F. Supp. 445 (S.D.N.Y. 1982); In re National Data Corp., 753 F.2d 1056 (Fed. Cir. 1985). Defendant Lasting Impression's "micro colors" trademarked logo achieved incontestable status on May 11, 1998. The incontestable status applies to the logo in its entirety, and not merely the phrase "micro colors." See id. Defendants' argument Lasting Impression's "micro colors" trademark is completely textual and not limited to the words-in-the-box composite is not compelling. Defendants' Motion, at 3. The phrase "micro colors" is generic, or, if not, descriptive, and it is that descriptive phrase, juxtaposed with the black box and green line of Defendants' registered mark, that gives it its distinctiveness. See. e.g., Sweats Fashions, Inc. v. Pannill Knitting Co., 833 F.2d 1560, 1566 (Fed. Cir. 1987) (holding the generic or highly descriptive word "sweats" in a logo protected "only the particular manner" in which the word "sweats" was displayed.).

Because the phrase "micro colors" is generic, or, if not, descriptive, Defendant has the obligation to demonstrate secondary meaning. It cannot do so by

merely pointing to the incontestability of its registered mark in its entirety.
Use by others of a similar mark will tend to dilute any customer recognition and association of that mark with the alleged owner. Such use by third parties is relevant to the issue of secondary meaning. Carter-Wallace, Inc., v. Proctor & Gamble Co., 434 F.2d 794 (9th Cir. 1970). Here, there is no issue of material fact that third parties have used the mark. Exhibit G, which is an advertisement by a company called Tattooing states, "Our Micro Colors are the best in the world." However, Tattooing has agreed to stop using the "micro colors" phrase at Defendants' request. See Defendants' Exh. 41.fn2 None of the other companies Plaintiff mentions use the "micro colors" phrase, although some use "micro pigment colors" or "micro pigment cosmetic color." See Plaintiff's Exhs. E, F, L.

To assert its trademarked "micro colors" brand has secondary meaning, Defendants argue that "Skin Magazine," a reputable magazine catering to permanent makeup customers, lists the brand "micro colors" as cross-referenced between both Defendants. Defendant's Opposition, at 15. Standing alone, this one reference does not demonstrate secondary meaning in the industry. To demonstrate Defendants' lack of secondary meaning, Plaintiff raises the issue of customer confusion. Plaintiff cites the McKinstry Deposition for the proposition that she is concerned people will confuse "micro pigment" with "micro colors." McKinstry Depo. at 72:22-73:24. McKinstry is worried because she has received reports from staff members that people are confused. Id.fn3

Plaintiff provides no counter-argument to Defendants' assertion Plaintiff's use of "micro colors" has no secondary meaning.

There is no question of material fact as to whether either party has acquired secondary meaning with respect to the use of the "micro colors" phrase. Apparently, neither has. Summary adjudication in favor of Plaintiff is appropriate on this issue. See Celotex, 477 U.S. at 323-24.

C. Fair Use Doctrine

The Lanham Act requires three elements to be established to prove a fair use defense: (1) use of the term is not as a trademark or service mark; (2) use of the term is done "fairly and in good faith"; and (3) use of the term is only to describe goods or services. 15 U.S.C. 1115(b)(4). In this case, Defendant has conceded Plaintiff is not using the term as a service mark or trademark. See Defendants' Motion, at 31-32. Defendant has also argued Plaintiff is using the term "descriptively on bottling labels and seminar flyers to identify [Plaintiff's] pigment colors or shades. Elements one and three have been established.

Plaintiff also contends it has satisfied the second element by using the "microcolors" phrase continuously since 1990 in trade shows and on their bottling labels. Because Plaintiff began using the mark before Defendants used theirs, and has continued use of the phrase, Plaintiff argues its use was done fairly and in good faith. The Court agrees. There is no issue of material fact as to the fair use defense, and summary adjudication is GRANTED in favor of Plaintiff on this issue. Celotex, 477 U.S. at 323-24.

The Court need not discuss Plaintiff's defense of prior use, as it has already determined Plaintiff could fairly use the "micro colors" phrase due to the generic or

descriptive nature of the phrase. For the same reason, the Court also need not discuss any demonstration of likelihood of confusion.

Plaintiff is entitled to continue to use the phrase "microcolors" in the way it has been using it since 1991, as it pertains to its hues and pigments. Defendants are entitled to use their trademarked logo containing the phrase "micro colors." Thus, Plaintiff's motion for summary judgment is GRANTED, and Defendants' motion for summary adjudication is DENTED.fn5

DATED: May 16, 2001

GARY L. TAYLOR
UNITED STATES DISTRICT JUDCE

Footnotes

1. Defendants use "microcolor" and "micro color" interchangeably. Defendants' Motion, at 30. For purposes of this motion, "micro colors" and "microcolors" will be considered the same phrase.

2 "Plaintiff contends this is merely because Tattooing, Inc. did not want to go through the time and energy defending against Defendants' claims. Plaintiff's Reply, at 17.

3. Plaintiff also cites a declaration by Gloria Torres, in which she testifies she received calls from prospective customers who seemed confused by Defendants' "micro colors." The Torres Declaration was not provided to the Court, and so it cannot be considered as evidence.

4. Defendants argue in, their Motion for Summary Adjudication that Plaintiff is using the phrase descriptively. Motion, at 30. On the other hand, in Defendants' Reply brief they contend Plaintiff is merely using the phrase in a 'functional" manner. Reply, at 10. Defendants argue a "fairly used descriptive non-mark would only describe the goods and not identifying the goods with its source. Here, [Plaintiff] uses "microcolors" to refer to the hue or shade of [Plaintiff's] pigments, and not to describe the pigments." Reply, at 10. This, Defendants suggest, goes beyond mere description and leads to a suggested association of the pigments with Plaintiff. Id., This "functional" argument is not availing. Defendants cannot argue both sides of the coin.

5. For purposes of this motion, plaintiff's objections to defendants, declarations are OVERRULED.

Lanham Act §33(b) which appears at 15 U.S.C. §1115(b):

(b) Incontestability; defenses

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 of this title, or in the renewal application filed under the provisions of section 1059 of this title if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 of this title, and shall be subject to the following defenses or defects:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or

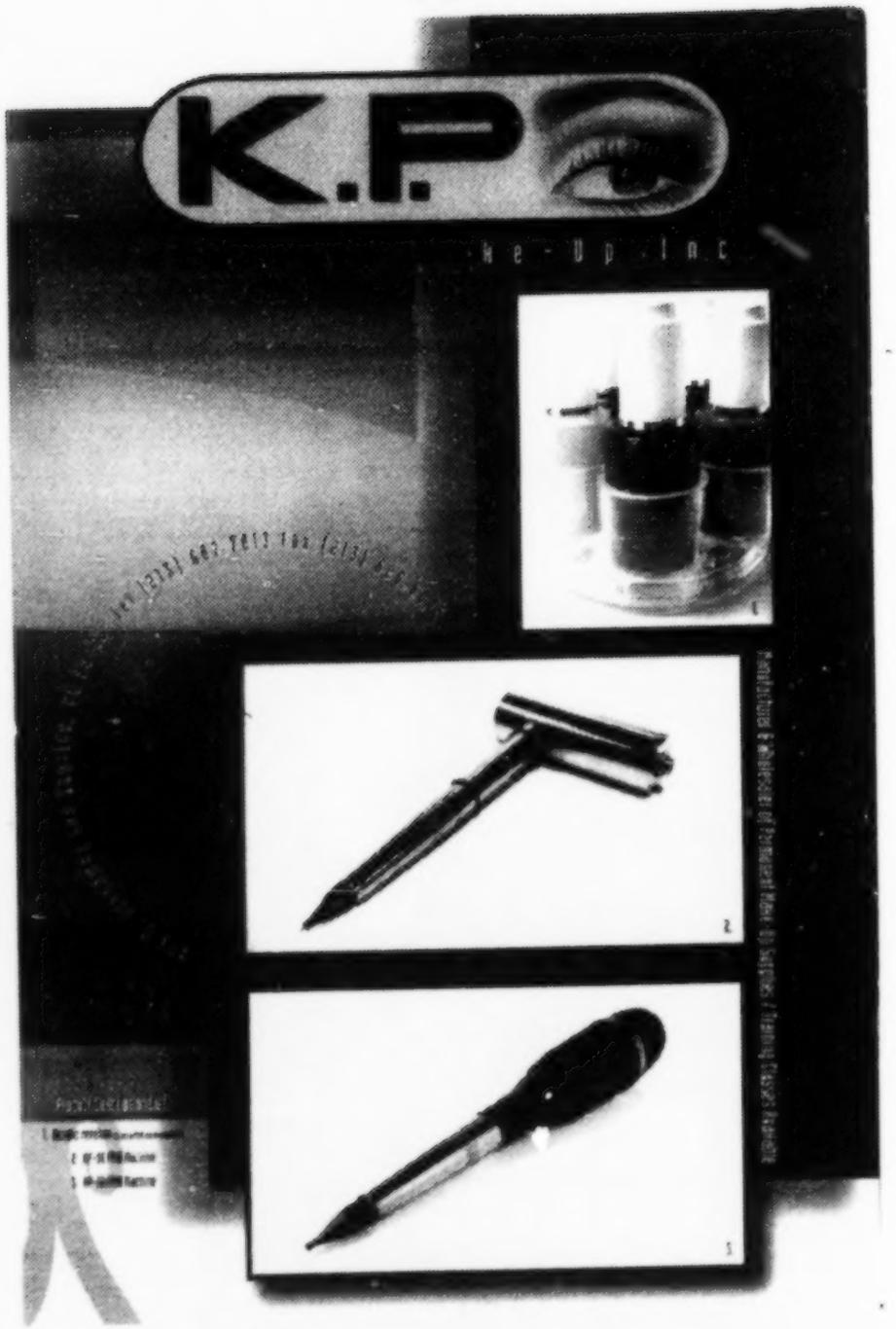
(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to (A) the date of constructive use of the mark established pursuant to section 1057(c) of this title, (B) the registration of the mark under this chapter if the application for registration is filed before the effective date of the Trademark Law Revision Act of 1988, or (C) publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States; or

(8) That the mark is functional; or

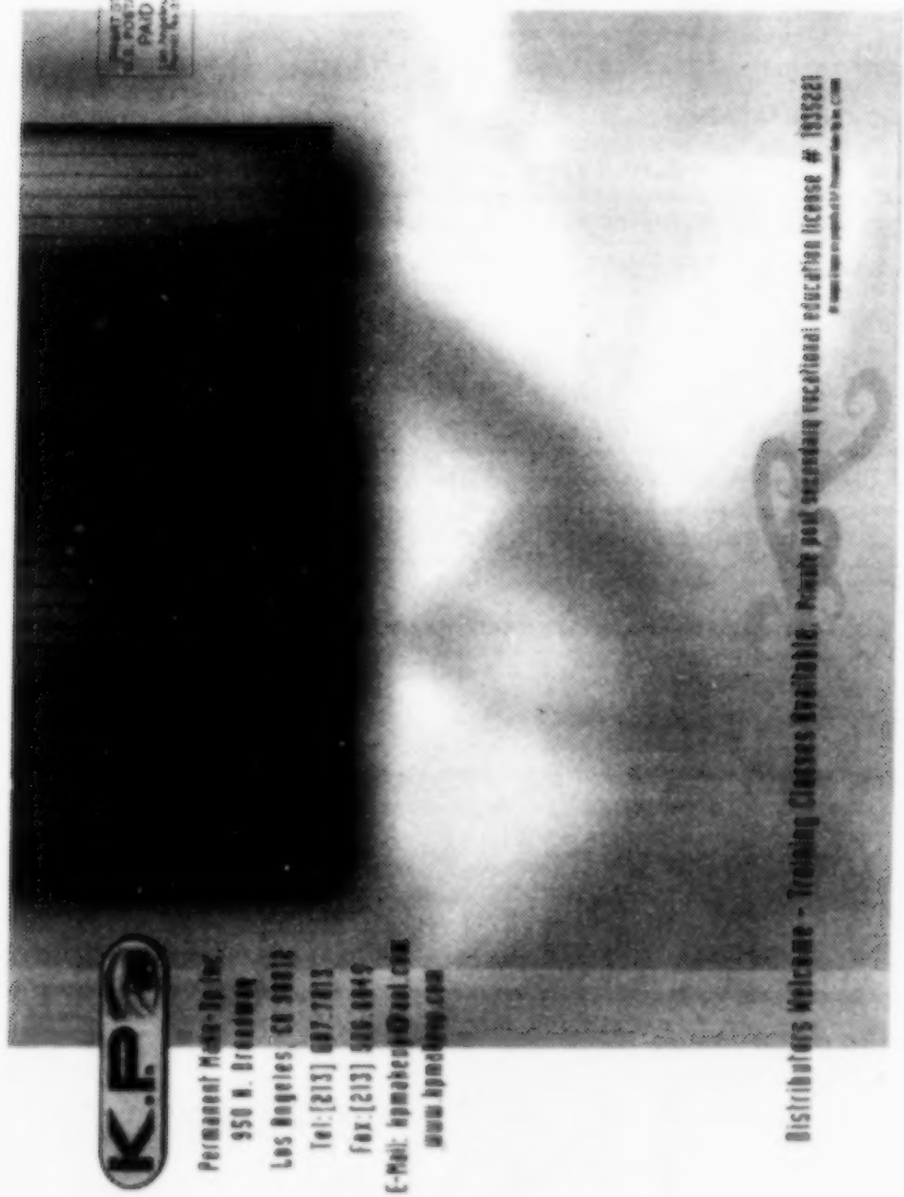
(9) That equitable principles, including laches, estoppel, and acquiescence, are applicable.



BEST AVAILABLE COPY

36a

37a



K.P

PRICE LIST

Order Form

Permanent Make-Up Inc

950 E. BROADWAY LOS ANGELES, CA 90012 TEL: 213 687 7813 FAX: 213 626 8849 E-Mail: kpmakeup@aol.com

ITEM	DESCRIPTION	PRICE
1	Permanent Make-Up Kit a. One PMU machine, video, ventilator. b. 10 single needles, 10 triple needles, tray holder. c. 72 needle covers, 10 ink cup containers. d. Pigment Colors: Black, Brown, Lt. Brown, White, Red	$1100.00
2	KP-98 Permanent Make-Up Machine 01 (Stainless Steel Machine)	$170.00
3	KP-99 Permanent Make-Up Machine 02	$70.00
4	G-6430 Permanent Make-Up 01	$70.00
5	Disposable Single Prong Needles (100/Box)	$25.00
6	Disposable Double Prong Needles (50/Box)	$32.00
7	Disposable Triple Needles (50/Box)	$35.00
8	Disposable Five Prong Needles (50/Box)	$50.00
9	Disposable Seven Prong (50/Box)	$80.00
10	Disposable Needle Covers: Small Size (1-3 Prong Needles) Large Size (5-7 Prong Needles) 100Pcs/Box	$20.00
11	Acrylic Pigment Container & Device Holder w/ 10 Insert Cooler Pcs	$15.00
12	Insert Cooler Pieces (10/Pkg)	$5.00
13	Tray Holder (Stainless Steel)	$4.00
14	Disposable Pigment Containers (50/Pkg) Small / Large	$3.00
15	Lightweight Stainless Steel Ring Small / Large) (Holds 1 small or large disposable pigment cont.)	$5.00
16	Plastic Rings (3/Pkg) Small / Large (Holds 1 small or large disposable pigment cont.)	$5.00
17	Bacitracin Ointment (144Pcs/Box)	$12.00
18	KP Topical Anesthetic Gel (Kp-445) 1 oz	$20.00
19	Hurricaine Topical Anesthetic Gel / Liquid, 1 oz	$10.00
20	Eyebrow Stencils (10 Styles)	$15.00
21	Eyebrow Design Kit (12 Styles)	$15.00
22	Eyeliner Pens 03 w/ Glue (50 Applications)	$50.00
23	Eyeliner Glue	$10.00
24	Eyelash Comb (3 Pairs/Pkg) Small / Medium / Large	$4.00
25	3-LED Wayne Dry Heat Sterilizer	$295.00

Buy Direct from Factory and Save 20% to 50%

K-1
WITNESS Stern
DATE 2-23-21 KR MS
Debra Strickland Reporters

K.P

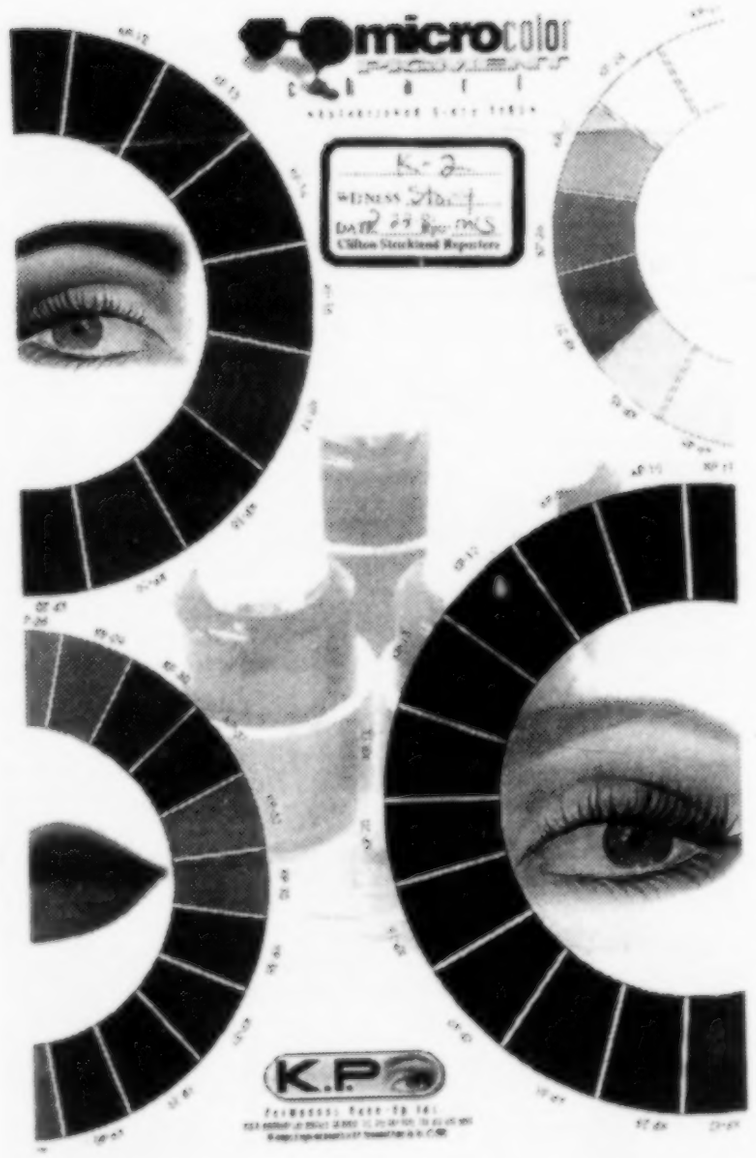
PRICE LIST

Order Form

Permanent Make-Up Inc.

ITEM	DESCRIPTION	PRICE
26	KP 98 / KP 60 Stainless Steel Sleeve (parts S & D)	$15.00
27	Adaptor (110V / 220V) KP 98 / KP 60 / KP 85 / S-643b	$15.00 $10.00
28	S-643D Disposable Sleeve	$7.00
29	S-643D Disposable Chambers (25/Box) (100/Box)	$35.00 $45.00
30	Sponges for S-643D (100/Pkg)	$3.00
31	Leather Face	$7.00
32	Gloves (100/Box) Sizes: Small / Medium / Large	$10.00
33	Finger Cots (144/Box) Sizes: Small / Medium / Large	$4.00
34	Autoclave w/Cabinet Colors: Black, Bronze, Navy Blue	$117.00
35	Chamber Forceps	$5.00
36	Stainless Steel Manual Pen	$20.00
37	Plastic Manual Pen	$5.00
38	Disposable Manual Triple Prong Needles (5/Pkg)	$10.00
39	Disposable Manual Flat or Curve Prong Needles (5/Pkg)	$15.00
40	Disposable Manual Six or Twelve Prong Needles	$20.00
41	Disposable FLAT Single Needles for KP Machines (10/Pkg) (50/Box)	$ 8.00 $40.00
42	Disposable FLAT Four Prong Needles for KP Machines (10/Pkg) (50/Box)	$ 9.00 $40.00
43	Disposable FLAT Six Prong Needles for KP Machines (10/Pkg) (50/Box)	$ 9.00 $ 40.00
44	Disposable FLAT Needle Covers Sizes: Small for 2-4 Prongs Needles / Large for 6 Prong (50/Box)	$20.00
45	Single Prong Needle for Coil Tattoo Machine, Per Piece	$1.00
46	Double Prong Needle for Coil Tattoo Machine (Boxed/Pkd)	$1.00
47	Triple Prong Needle for Coil Tattoo Machine (Boxed/Pkd)	$1.50
48	Four Prong Needle for Coil Tattoo Machine (Boxed/Pkd)	$1.50
49	Eight Prong Needle for Coil Tattoo Machine (Boxed/Pkd)	$2.00

Distributors Welcome - Training Classes Available. Private post secondary vocational education license # 1835221



In stock to order you may choose any of the following 5:

K.P
Permanent Make-Up Inc
Registered Since 1988
950 N. [illegible] LOS ANGELES, CA 90012
213-687-7813 (Customer Service)
800-985-8730 (Account Information)
213 519 0845
E-Mail [illegible]

Order Form / Company Policies

SHIPPING: All orders are shipped ground service via United Parcel Service. Next Day Air, 2nd Day Air, 3-Day Select & Saturday Delivery are available upon request at an additional cost. All shipping charges are based on weight, level of service, & Zone. ETA on all packages vary from 1-7 business days.

C.O.D.'s: For all COD's, there is an additional charge of $5.00. First time COD orders must be paid by a Money Order or a Cashiers Check. It is extremely important that upon a UPS delivery attempt, someone is there to accept the package along with the correct amount. If a package is refused and is returned, the reciever will be charged the shipping fee & will not be able to recieve any further packages until the bill is cleared.

K-3

RETURNED CHECKS: For any reason in the event of a returned check that has bounced, there will be a $25.00 fee. No further orders will be shipped until the bill is cleared & all future orders must be paid by a credit card or a money order/cashiers check.

RETURNS & DAMAGES: Returns must be made within 7 days of delivery in orig inal packaging & must be accompanied by a copy of the reciept. Used & damaged products will not be accepted unless by approval from management & is subject to a 20% restocking fee minus shipping. Any damaged claims must be made within a 24 hour period to assure replacement. Shipping is not included for returns unless damaged.

INTERNATIONAL ORDERS: Orders must be paid in advance by credit card or bank wire transfers. No COD's are available. Recievers are responsible for duties & taxes for customs.

K-3
WITNESS Stacy
DATE 2-27-96
Clifton Strickland Reporters

CREDIT CARD ACCOUNTS: Please call & request a credit card form.

All images & logos are property of K.P. Permanent Make-Up, Inc. © 1996

K.P

PRICE LIST

Permanent Make-up Inc

KP-10 BLACK 1 (SOFT BLACK)
KP-11 BLACK 2 (JET BLACK)
KP-12 DARK BROWN
KP-13 MEDIUM BROWN
KP-14 LIGHT BROWN
KP-15 GRAY 1
KP-16 GRAY 2 (SMOKE)
KP-17 GRAY 3 (SMOKE SILVER)
KP-18 TAUPE 1
KP-19 TAUPE 2 (BRONZE)
KP-20 TAUPE 3 (BRONZE SILVER)
KP-21 WHITE
KP-22 GREEN
KP-23 DARK GREEN
KP-24 SKIN 1 (IVORY)
KP-25 SKIN 2 (MEDIUM BEIGE)
KP-26 SKIN 3 (DARK BEIGE)
KP-27 SKIN 4 (RUST BROWN)
KP-28 PINK 1 (ROSE PUMPKIN)
KP-29 PINK 2 (MAUVE)
KP-30 PINK 3 (PURPLE PINK)
KP-31 PINK 4 (EARTH)
KP-33 PINK 6 (ORANGE NECTAR)
KP-35 RED 1 (CHERRY RED)
KP-36 RED 2 (WINE BURGUNDY)
KP-37 RED 3 (PURPLE RED)
KP-38 RED5 (MAHOGANY)
KP-40 RED 6 (BROWN WINE)
KP-42 RED 9 (ROSE ORANGE)
KP-45 YELLOW 1
KP-46 YELLOW (LEMON)
KP-48 LIGHT BLUE
KP-49 NAVY BLUE
KP-50 COCO

1/2 oz Bottle (Non-Toxic, Sterilized Pigments)..... $10.00 ea
In quantities of 12 or more..... $7.00 ea

81-P RED
82-P CORAL PINK
83-P WINE
84-P FUCHSIA
85-P CHERRY RED
86-P MAGENTA
87-P PERFECT RED
88-P MAUVE
79-P WINE BURGUNDY
71-P RAISIN
72-P BLACK
73-P TEAL
74-P COPPER BROWN
75-P DARK BROWN
76-P DARK GREY
77-P LIGHT BROWN
78-P MEDIUM BROWN
79-P BROWN BRONZE
84-P TAUPE
85-P MOCHA
86-P NAVY BLUE
92-P BLUE

Semi-Permanent Pen..... $4.00 ea or 3/$10.00
28 Creative Stencils..... $2.00 ea design